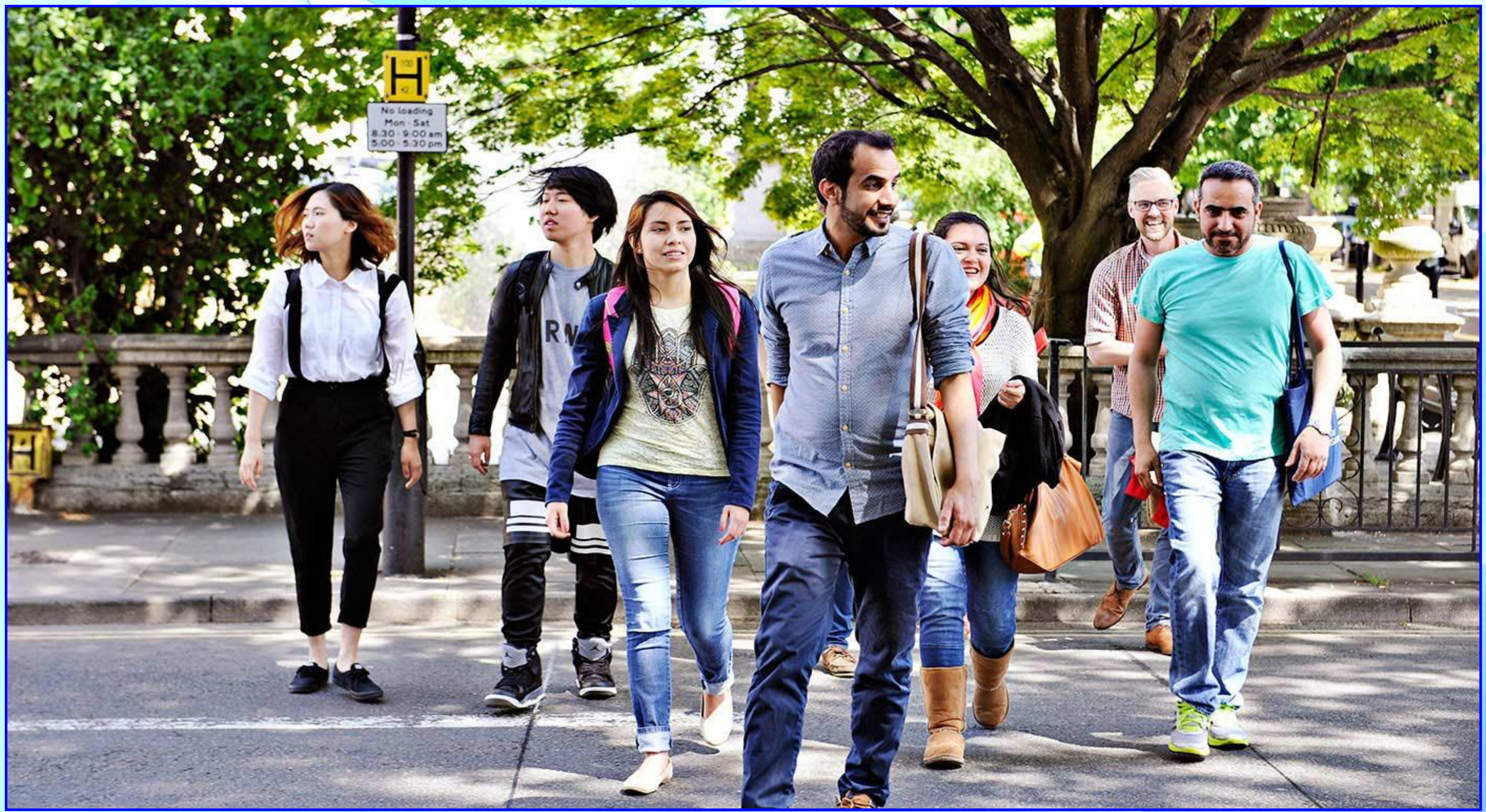
BUSINESS PLAN



Presented by:
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The Business Plan is for the exclusive attention of *Interested Investors*

EXECUTIVE SUMMARY

- Launch the first global, private university of Tuscany, based in Siena, Italy.
- English-language, American education-model, for international students, mostly from emerging economies.
- Business model with high client lock-in, high rate of variable costs.
- Business with high margins, generates very significant positive cash flow.
- Low initial investment required: € 1.5 M.



THE IDEA

International and American universities recommend that students "study abroad" in order to both globalize the student's education, and also to expand the influence of the home university.

UNIVERSITY of TUSCANY - *G.U.Net* offers international and North American students, with a university education that is now considered highly desirable:

- English language in classrooms and learning materials.
- American university system model.
- Multiple degree accreditation (American, European, National).
- Real (not "vanity") degrees which prepare students for future studies and professions.
- Life experience in the Tuscany/Italy context, opportunities for extra-Italy studies/experiences.

Presently in Tuscany, there are no valid educational programs in the in English language, geared toward emerging economies' degree-seeking students.

There are only scattered educational programs for American study abroad students in Tuscany, reserved to students enrolled into US universities (e.g. Stanford University in Florence).

SWOT

Strengths:

- Business model with high client lock-in, high rate of variable costs, business with high margins, generates very significant positive cash flow.
- Underserved niche market: unique American system and English language offering in Tuscany, but aimed at larger world market.
- International multi-ethnic, location in Florence area.
- Assuming low drop-out rate of degree seeking (only 10%), easier to focus on new business.
- Founders that are highly regarded in educational circles, profound experience with and knowledge of the American educational system and global education.
- Low and variable costs for necessary infrastructure due to economic situation in the area and other subjective conditions.

Weaknesses:

- Necessary 4 years to achieve critical mass of students to reach profitability.

Opportunity:

- Growth of global Middle Class: Eastern European, Asian.
- Large player interested in acquisition or participation in the University.
- Use of social media and digital marketing to lower cost of acquisition.
- Training courses to local population (e.g. ECDL).

Threats:

- Economic reality in USA could impact parents ability to pay and students desire to acquire high debt levels for education.
- Another deep pocketed player decides to enter into this rich, underserved, niche market.

EXECUTIVE TEAM

Margaret Kneller – founder

Ph.D. Columbia University, M.S. Yale University, B.S. Stanford University, Post-Doc. Columbia University

Professor of Science in the US and Europe for 25 years. Former NASA researcher.

Expert in Environment.

Peter Caiazzi – founder

M.S., B. S. Columbia University

Software engineer. Entrepreneur working in Silicon Valley and Europe for 25 years.

Expert in ICT.

Gabriele Simoncini – founder

Ph.D., M. Phil. Columbia University, B.A. Pisa University, Post-Doc. Stanford University

Professor of Political and Social Sciences in the US and Europe for 25 years.

Expert in Global Education.

– additional possible co-founders

DEMAND

MARKET SIZE for DEGREE SEEKING STUDENTS:

Target: middle-class families from developing countries: Eastern Europe, Balkans, Former Soviet Union, Gulf States, Africa, Asia.

- number of students in college - Poland: 2.0M, Ukraine: 2.1M, Russia: 8.5M, Kazakhstan: 0.6M, Balkans:1.5M, China: 25.0M.
- number of students in private college - Poland: 0.7M, Ukraine: 0.4M, Russia: 1.1M, Kazakhstan: 0.1M, Balkans: 0.3M, China: 5.0M.

Above countries are underserved because:

- national State Universities are in crisis, and loosing students.
- private Universities are "local", and low in quality.
- universities have none or low exposure to international and English language education.

MARKET SIZE for STUDY ABROAD STUDENTS:

- number of US students served by study abroad companies: 300,000. Number not served by CEA & IES and others: 60,000.
- number of study abroad companies (potential sales partners): 50,000.
- number of US students currently in Italy who are not with their home university: 40,000.
- American students who want to study abroad in Italy (3rd after UK and France): 90,000.
- Most students studied language in US Universities (students of Italian language): 500,000.

SUPPLY

There are approximately 27 higher education institutions located outside of North America, and in western Eurasia or the northern African region.

Higher education institutions are based on a US model of liberal arts education, with degrees often accredited by US accrediting agencies.

Higher education institutions are mostly founded post-1960, or have seen rapid growth in recent decades.

Prominent examples of universities, outside US, offering the liberal arts model of education, with local and/or US accreditation:

- American University of Cairo
- American University of Paris
- Franklin University Switzerland
- American University of Sharjah, UAE.

UNIVERSITY of TUSCANY - *G.U.Net* is branded as global-English language higher education

- with primary student catchment area to the developing countries (and Eastern Europe).
- with degree programs emphasizing 21st century context of Business / Management and Social Sciences.

MARKETING

Accreditation necessary for US students:

- Accreditation contracted through an American university of records for the first years.
- Direct accreditation later.

Accreditation for degree seeking students (non-US):

- UK accreditation through the franchising system.
- EU accreditation through a partner accredited by Polish University Ministry.

Contracts with Recruiting Agencies:

- Agreements with with recruiting agencies from USA, Russia, Poland, Ukraine, Kazakhstan, India, Africa, China, and others.

Collaboration Agreements:

- Agreements with 50 US Universities for study abroad guaranteeing 100 students from U.S.A.
- Agreements with 150 Polish, Ukrainian, Russian, Chinese, Saudi Arabian (5 each) private colleges for study abroad and degree seeking students.

Acquisition of Degree-Seeking students

- Massive presence on social networks and advertising online.
- Extensive use of digital marketing.

REVENUE MODEL

Educational fees

Program	Revenues Year 4	% on Total Revenues	Revenues Year 5	% on Total Revenues
Degree Seeker	€ 855,000	31,8%	€ 1.380.000	30,1%
Study Abroad	€ 1.333.333	49,6%	€ 2.400.000	52,3%
Summer Semester	€ 150.000	5,6%	€ 225.000	4,9%
TOTAL	€ 2.338.333	87,0%	€ 4.005.000	87,3%

Other fees

	Revenues Year 4	% on Total Revenues	Revenues Year 5	% on Total Revenues
Room & Board	€ 305.760	11,4%	€ 509.145	11,1%
Value Added Services	€ 45.650	1,6%	€ 76.400	1,6%
TOTAL	€ 351.410	13,0%	€ 585.545	12,7%

From Year 4, degree seeking programs, a source of long-term repeated revenue stream, will represent about a third of the total revenues

INCOME STATEMENT

	YEAR 1		YEAR 2		YEAR 3		YEAR 4		YEAR 5	
Description	**Total**	**% of structure**	**Total**	**% of structure**	**Total**	**% of structure**	**Total**	**% of structure**	**Total**	**% of structure**
Total Revenue (A)	**0**	**0**	311.170,00	100,00%	1.176.890,00	100,00%	2.689.743,33	100,00%	4.590.545,00	100,00%
Revenues from operations	0	0	311.170,00	100,00%	1.176.890,00	100,00%	2.689.743,33	100,00%	4.590.545,00	100,00%
Revenues from non-operating		0%		0,00%		0,00%		0,00%		0,00%
Variable costs (B)	0	0	272.150,00	87,46%	693.350,00	58,91%	1.202.025,00	44,69%	2.818.500,00	61,40%
Gross Profit (C=A-B)	***0***	**0**	***39.020,00***	**12,54%**	***483.540,00***	**41,09%**	***1.487.718,33***	**55,31%**	***1.772.045,00***	**38,60%**
Labor Cost (Administration) (D)	156,000.00		290.000,00	93,20%	438.000,00	37,22%	525.000,00	19,52%	625.000,00	13,61%
Net Profit (Loss) (E=C-D)	***-156,000.00***		*-250.980,00*	**-80,66%**	***45.540,00***	**3,87%**	***962.718,33***	**35,79%**	***1.147.045,00***	**24,99%**
Other Costs (Third party assets, Amortization & Depreciation, miscellaneous) (F)	198,715.00		238.175,00	76,54%	354.475,00	30,12%	441.850,00	16,43%	533.200,00	11,62%
Net Margin (Loss) (G=E-F)	***-354,715.00***		*-489.155,00*	**-157,20%**	*-308.935,00*	**-26,25%**	***520.868,33***	**19,36%**	***613.845,00***	**13,37%**
Financial result (Costs)/revenues (H)	-2,128.29		-4.801,95	-1,54%	-8.914,95	-0,76%	-13.013,25	-0,48%	-23.860,20	-0,52%
Gross Result (I=G+H)	***-356,843.29***		*-493.956,95*	**-158,74%**	*-317.849,95*	**-27,01%**	**507.855,08**	**18,88%**	***589.984,80***	**12,85%**
Tax (L)	6,001.00		11.122,72	3,57%	16.734,32	1,42%	161.659,05	6,01%	188.050,21	4,10%
Net Result (M=I-L)	***-362,844.29***		*-505.079,67*	-162,32%	*-334.584,27*	-28,43%	***346.196,03***	12,87%	***401.934,59***	8,76%

P&L Break Even right after Year 4 From Year 3: - Gross Margin >= 40% - EBITDA >= 13%

CASH FLOW ANALYSIS

	Cash Flow Forecast (without scholarships)				
	Year 1	**Year 2**	**Year 3**	**Year 4**	**Year 5**
Gross Cash flow used	**€ 374.419,29**	**€ 862.749,67**	**€ 1.516.474,27**	**€ 2.333.547,30**	**€ 4.178.610,41**
Cash flow used for investments	€ 13.500,00	€ 66.500,00	€ 35.000,00	€ 20.000,00	€ 20.000,00
Cash flow used for operating activities	€ 360.919,29	€ 796.249,67	€ 1.481.474,27	€ 2.313.547,30	€ 4.158.610,41
Gross Cash flow received	**€ 10.000,00**	**€ 311.170,00**	**€ 1.176.890,00**	**€ 2.689.743,33**	**€ 4.590.545,00**
Cash flow from equity	€ 10.000,00	€ -	€ -	€ -	€ -
Cash flow from revenue	€ -	€ 311.170,00	€ 1.176.890,00	€ 2.689.743,33	€ 4.590.545,00
Net financial surplus/deficit (-):					
- year	-€ 364.419,29	-€ 551.579,67	-€ 339.584,27	€ 356.196,03	€ 411.934,59
- accrued	-€ 364.419,29	-€ 915.998,96	-€ 1.255.583,23	-€ 899.387,20	-€ 487.452,61

Needs financing until Year 3 From Year 4, cash-flow positive, with massive returns

INVESTMENT PROPOSAL

Investment request: **1.5M€ for 49% participation**

Use of invested capital:

- YEAR 1 :	Startup of the University Operations (IT infrastructure & facilities)
- YEAR 1 :	Web Site + Digital Marketing initiatives
- YEAR 1 & YEAR 2 :	Sales trips
- YEAR 1 & YEAR 2 :	Founders salary
- H2 / YEAR 2 :	Startup (infrastructure + personnel) of the first student programs (Study Abroad - Summer Program)

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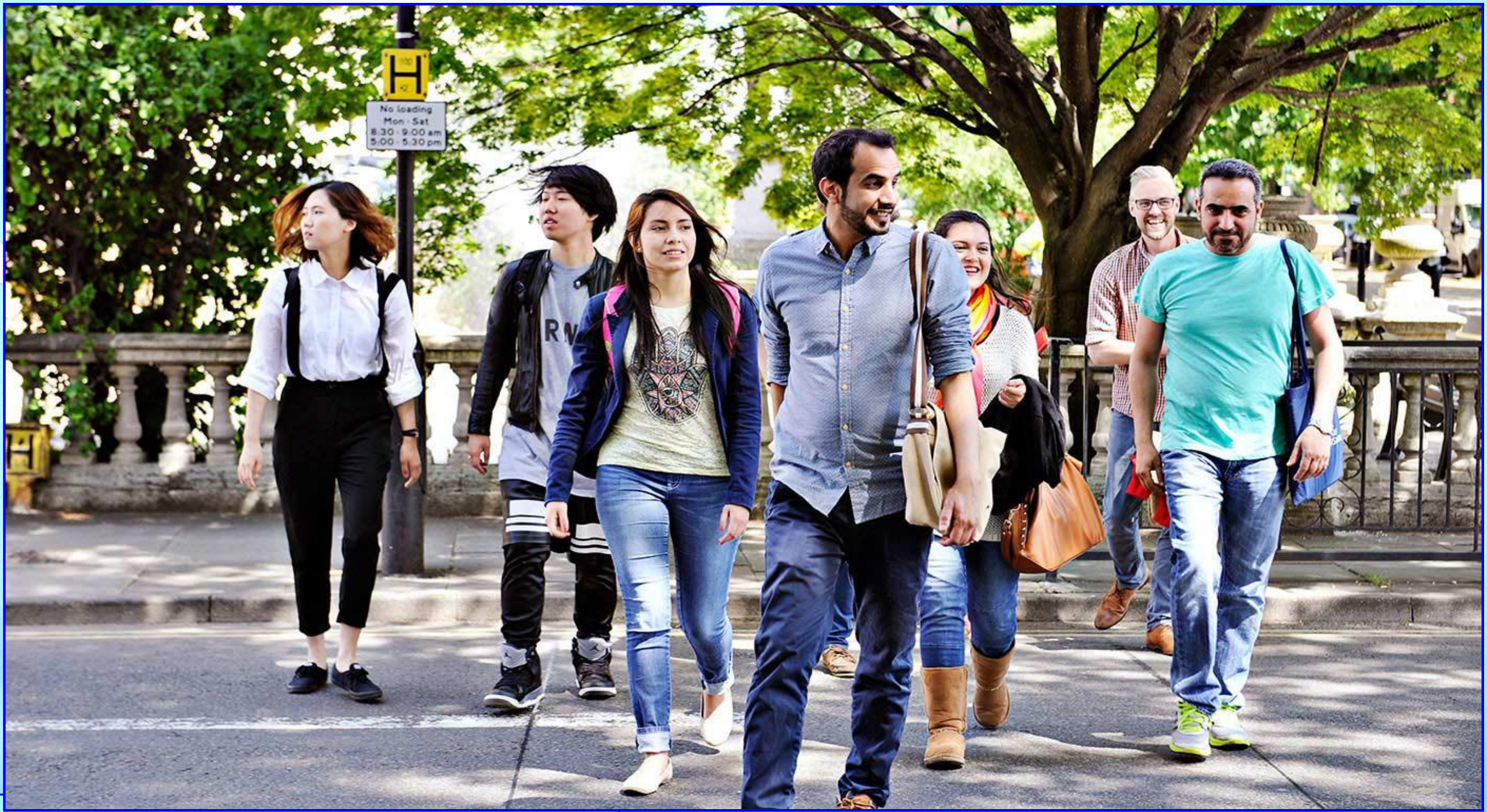

Thank you for your attention